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REMARKS

1. The Amendments and the Support Therefor

No claims have been canceled, no new claims have been added, and claims 4-6 and 28 are amended to leave claims 1-28 and 35-37 in the application. Claims 4-6 are amended to clarify the "further" (second) meter recited in claim 5 and thereby obviate the rejection of claim 5 under 35 USC §112(2). Claim 28 is amended fur further clarification, and to correct a typographical error.

2. Rejection of Claims 1-12, 14-23, 27-28, and 35-37 under 35 USC §103(a) in view of U.S. Patent 6,529,883 to *Yee et al.* and U.S. Patent 4,351,028 to *Peddie et al.*

Kindly reconsider and withdraw these rejections for the following reasons.

As described in the Background section of the present application, financiers such as credit card providers are concerned with fraudulent use of credit card numbers, and they prefer credit card transactions wherein the credit card being used is verified as being present at a particular location. Otherwise, a premium (e.g., a greater percentage of the purchase price) may be charged to the vendor to cover the cost of the increased risk that the transaction is fraudulent. The claimed system relates to verification of credit card presence by sending, when a charge authorization request is made, both typical charge authorization data *and also* data related to the identity (and thus the location) of a nearby utility meter. Since utility meters are fixed in their locations, and since many utility companies provide utility meters with unique identification numbers or other identifiers, meter identification can allow the location of a charge authorization request to be identified with a relatively high degree of certainty. As discussed in the application, the system can be used to make utility payments as well as payments for other goods/services.

Yee then relates to a prepayment utility metering system. A memory card is loaded with funds at a customer service center (column 2 lines 48-51). A utility meter 12 and customer terminal 11 are located in the customer residence (as illustrated in FIG. 1). The customer terminal is illustrated in greater detail in FIG. 4 (and is discussed at column 4 line 45 onward), and includes a card reader 41 for the memory card. The utility meter 12 is illustrated in greater detail

in FIG. 5, and is discussed at column 5 line 35 onward. When a fund-loaded memory card is inserted into the customer terminal 11, its data is transmitted to the utility meter 12 over the power line (column 4 lines 49-62), and the funds loaded on the memory card are then credited to the utility meter 12 (column 6 lines 6-8) to allow prepayment for some amount of energy (or water, etc.). See also column 7 lines 18-41. The utility meter 12 has an IP address (column 4 lines 66-67, column 5 lines 50-52), and the memory card stores the address such that the card only funds the corresponding utility meter 12 (column 6 lines 9-12). Note that the utility company does not directly communicate with the utility meter 12 and/or customer terminal 11 (save for supplying electricity); rather, communication of information such as electricity consumption, etc. is stored by the customer terminal 11 on the memory card, which in turn communicates this data to the utility company when the card is reloaded with funds at the customer service center (column 2 lines 41-45, column 6 lines 43-45, column 7 lines 38-41). This is in accordance with *Yee*'s objective that the *Yee* system be easy and expensive to install (see column 1 lines 60-64): note that the *Yee* system is "self-contained" in that the utility meter 12 and terminal 11 can be installed/retrofit at some location, without the need to also install some form of data communication line between the system (the utility meter 12 and terminal 11) and the utility itself. Instead, data communication with the utility occurs through the memory card.

Peddie then simply describes a utility prepayment system wherein processor 20 monitors power consumption and allows a user to prepay for power via credit or debit transactions initiated at keypad 24 and display 23. A modem 27 communicates the credit/debit instructions to the utility, which processes the payments (see column 3 lines 53-57, column 4 lines 3-7). When the user approaches the limits of his/her prepaid limit, the display 23 can emit a signal that the user must apply additional payment for continued operation, and/or the processor 20 can intermittently cut power at switch 18 to indicate that power will soon be cut (column 4 lines 8-27).

It should therefore be evident that the claimed system is significantly different from that of *Yee* and *Peddie*, and cannot be said to be fairly suggested by these references. Initially, as noted by the Office Action, the *Yee* meter does not transmit any authorization request to obtain authorization of the transaction. More notably, the *Yee* meter neither transmits a transaction

authorization nor does it transmit any location identifier. In fact, the *Yee* meter transmits nothing at all; it simply receives prepayment from the memory card and terminal 11 so that it continues to operate. The Office Action then reasons that:

> It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Yee to include that the utility meter transmits said authorization request to obtain said authorization of the transaction, as disclosed in Peddie, because it would advantageously allow to delegate this task to a third party service provider, thereby allowing to use less powerful processor in the meter and decrease operating cost.

This is not so. The *Yee* meter does not transmit a transaction authorization (e.g., a funds request), or any location identifier, and there is no benefit whatsoever to modifying *Yee* to include this feature: contrary to the assertion that this would allow use of a "less powerful processor in the meter and decrease operating cost," this would require that *Yee* incorporate some form of processor, modem, or other communications system whereby the *Yee* meter 12 (or terminal 11) could communicate with a "third party service provider" or authorization authority. This would *add* cost and complexity rather than decreasing it.

Further, recall that *Yee* only communicates financial information with the utility via the memory card since this avoids any need to install communications between the utility company and the terminal 11/meter 12, and allows the terminal 11/meter 12 to be readily retrofit into any location (e.g., there is no need to install a communications line between the terminal 11/meter 12 and the utility). Modifying *Yee* to include communication of a transaction authorization (e.g., a funds request) from the meter 12 to the utility is contrary to this purpose, and cannot be said to be an obvious modification. See MPEP 2143.01 (subsection entitled "The Proposed Modification Cannot Render The Prior Art Unsatisfactory For Its Intended Purpose").

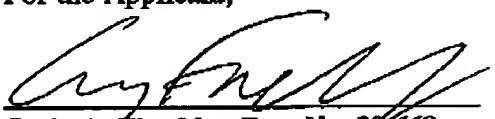
Further, even if we assume for the sake of argument that there was some true suggestion to combine *Yee* and *Peddie*, the combination would not amount to the claimed invention because the resulting meter would not transmit any authorization request which is based on *both* a transaction authorization *and on a* location identifier. As admitted in the Office Action, *Yee*'s meter does not transmit *any* authorization request. As for *Peddie*, it does not transmit any authorization request which is based on both a transaction authorization *and on a* location

identifier: rather, *Peddie* simply sends a transaction authorization to the utility company (with no location identifier), and sending such a transaction authorization prepays for additional utility usage at the processor 20. The utility company does not know or care where the processor 20 is; so long as the processor 20 sends in payment, the switch 18 remains closed and the power stays on. Thus, *Peddie* in no way suggests that *Yee* be modified to transmit any authorization request which is based on both a transaction authorization *and on a* location identifier: *Peddie* itself does not include this feature.

3. In Closing

If any questions regarding the application arise, please contact the undersigned attorney. Telephone calls related to this application are welcomed and encouraged. The Commissioner is authorized to charge any fees or credit any overpayments relating to this application to deposit account number 18-2055.

For the Applicant,



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- PTO-2038 ($510)